

# ***Revisoning the Vision!***

*Draft*

## **Retail Business Summary**



**City of Highland Park  
Central District Plan Update  
September 2009**

## **Introduction**

Business and commerce are among the primary functions of Highland Park's Central District. Downtown Highland Park is an economic engine of the City and is the primary location for retail business to be conducted and is the location of the majority of office space and employment opportunities in the community. Assuring that the Central District continues to function as the retail, office and employment core of the community is essential to Highland Park maintaining itself as a premier community in the region.

In 2007, the City Council retained a consultant team to analyze the economic and market trends facing downtown Highland Park and make recommendations as to how the City and the private sector might actively work to maintain its economic viability. The consultant report contained numerous strategies and recommendations that when implemented will have the potential to strengthen the Highland Park economy.

One important implementation activity arising from the market study was that in late 2007, the City Council acted to authorize the creation of a Special Service Area (a commercial property tax district) to raise \$300,000 a year to fund the marketing and promotion of downtown Highland Park. The Special Service Area tax levy is paid solely by property owners in the Central District. In early 2008, with funding from the Special Service Area, the "Downtown Alliance" was incorporated as a partnership of the City of Highland Park, the Highland Park Chamber of Commerce, and the Downtown Property Owners Association. The Alliance has been operating for more than one and one-half years and has many achieved numerous accomplishments in this time. The mission of the Alliance and a summary of its activities are described in a later section of this report

This report has a number of sections related to the following which can be accessed directly by clicking on the link below:

- 2006 Business and Financial Data
- Implications for Retail Planning
- Study Findings Re: Consumer Demand
- Recommended Strategies for the Central District
- Establishment of the Downtown Alliance
- Office Market Information
- Pertinent Questions

The years 2008 and 2009 have been challenging ones for the economy of Highland Park. The national and international recession has significantly impacted the retail and office environment of the community. Retailers are under stress given the recession; some retailers and offices have closed in the last two years and other businesses are "hanging on". At present, Highland Park has more than 23 vacant retail spaces in the Central District and more than 95,000 square feet of available office space for lease. Recognizing that these economic times are extraordinary and that current economic data is likely not predictive of the future, this report summarizes the 2006 economic data presented in the 2007 market study as a baseline for understanding the role of the Central District to the City of Highland Park. ([Link to City of Highland Park Office of Economic Development](#))

## **2007 CBD Retail Study Summary**

In 2007, 4Insights, Inc. (Lisle, IL) and Business Districts Incorporated (Evanston, IL) prepared a study for the City of Highland Park related to the following categories:

- Retail Economic Impact of the Central Business District (CBD)
- Retail Strategy for the CBD
- Organizational Business Strategy for CBD

The final report, dated May 16, 2007 was a summation of the work of the consulting team. There were multiple objectives for the study:

- To estimate the direct and indirect economic impact of the retail businesses in the study area on the City of Highland Park
- To assess the retail market and recommend the retail strategy that will maximize the market opportunity and attract the targeted consumers
- To develop an effective marketing program and operational program for the CBD that addresses current and emerging business expansion opportunities in primary and secondary markets

To conduct their study, the consultants used a variety of primary and secondary data sources which included surveying consumers, employees, business owners, real estate brokers, shoppers, teens and City residents. In addition, the consultant observed competing commercial areas outside Highland Park. Secondary data collection included national demographic and consumer demand data, State of Illinois financial data, and City financial data. This memorandum summarizes the data and findings of the 4Insights, Inc. and Business Districts Incorporated report to the City of Highland Park. [Click here to view the complete report.](#) Except where noted, data is from 2006. In addition, staff has reviewed 2008-2009 business license data for the Central District. Furthermore, CoStar<sup>1</sup> data for the Highland Park office market for 2009 was reviewed.

## **BUSINESS AND FINANCIAL DATA**

### **Business Mix**

In 2009, there were approximately 450 businesses and organizations in the Central District broken down into the following categories<sup>2</sup>:

- Service Businesses: 285 (63%)
- Retail Businesses: 105 (24%)
- Restaurants: 40 ( 8%)
- Organizations/  
Institutions: 20 ( 4%)

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<sup>1</sup> CoStar Group is a commercial real estate information company.

<sup>2</sup> City of Highland Park Business License data.

### **Central District Economic Impact**

#### **Retail Sales and Sales Tax Revenue**

- 26% of Highland Park retail sales are generated in the Central District
- **\$3.2 million in retail sales tax revenue generated in 2006 from the Central District**

#### **Property Tax Revenue**

- \$4.46 million in property tax revenues for 11 taxing bodies
- **6.7% of total property tax revenue \$300,300 goes directly to the City of Highland Park**

#### **Other Central District Revenues**

- Parking Meters, Permits, Fines	\$566,000
- Food & Beverage Tax	\$232,000
- Building Permit Fees	\$126,000
- SSA Revenues	\$ 94,000
- Real Estate Transfer Tax	\$ 56,000
- Liquor, Restaurant Licenses	\$ 51,000
- Motor Fuel Tax	\$ 44,000
- Business License	\$ 13,000
- State Share of Income Tax	\$119,000
- <b>Total:</b>	<b>\$1,301,000</b>

### **EMPLOYMENT AND EMPLOYEE SPENDING IN THE CENTRAL DISTRICT**

#### **Distribution of Businesses by # of Employees**

- 26% (+/-125) of Central District Businesses with > 10 employees
- 74% (+/-360) of Central District Businesses with ≤ 10 employees

#### **Total Employment**

- Full Time Employees:	2,560 (57%)
- Part-Time Employees:	1,920 (43%)
- <b>Total</b>	<b>4,480</b>

**Employees by Location of Residence**

- Non-Highland Park residents: 2,910 (65%)
  - o Full-Time: 1,660
  - o Part-Time: 1,250
- Highland Park residents: 1,570 (35%)

**Employee Spending in the Central District (Captured Sales)**

- FT Non-Residents: \$30/wk \* 50 wks \* 1,660 employees = \$2,500,000 (+/-)
- PT Non-Residents: \$15/wk \* 50 wks \* 1,250 employees = \$ 937,500 (+/-)
- **Total Non-Resident Spending: \$3,437,500**

**Non-Resident Spending in the Central District (Captured Sales)**

- Total CBD Sales: \$186,421,000
- Non-Resident CBD Visitors: 30% of total visits (excluding non-resident employees)
  - employees)
- Non-Resident Customers: 45 visits/annually
- Estimated Expenditures: \$150/visit
- **Estimated Total Expenditures: \$ 37.2 million (non-residents)**
- **Estimated Total Expenditures: \$149 million (residents)**

**Captured Non-Resident Spending**

- CBD Non-Resident Employees: \$ 3,437,500
- CBD Non-Resident Consumers: \$37,200,000
- **Total Captured Spending: \$40,637,500 (21.5% of total CBD sales)**

**Consumer Market Demographics**

Highland Park Demographics by Drive Time from the CBD (Central Ave. & Green Bay Road)	5-Minute Drive (1.5 Mile Radius)	10-Minute Drive (4-Mile Radius)	15-Minute Drive (7.5-Mile Radius)	20-Minute Drive (10-Mile Radius)
Population 2006	22,155	71,084	216,737	519,900
Population Growth 2006-2011	22,817 +3%	73,569 +3.5%	222,507 +2.7%	529,073 +108%
Households 2006	8,442	25,434	78,225	187,963
Household Growth 2006-2011	8,707 +3.1%	26,331 +3.5%	80,219 +2.6%	190,664 +1.4%
Median Age-Population	39.41	40.73	42.34	40.53
<ul style="list-style-type: none"> <li>• 45-54</li> <li>• 35-44</li> <li>• 25-34</li> <li>• Seniors 65+</li> <li>• Children 0-9</li> <li>• Teens 10-17</li> </ul>	<ul style="list-style-type: none"> <li>3,335 15%</li> <li>3,139 14%</li> <li>2,194 10%</li> <li>3,463 16%</li> <li>3,177 14%</li> <li>2,722 12%</li> </ul>	<ul style="list-style-type: none"> <li>14,317 17%</li> <li>8,874 12%</li> <li>5,235 07%</li> <li>10,811 15%</li> <li>11,058 14%</li> <li>9,601 13%</li> </ul>	<ul style="list-style-type: none"> <li>36,346 17%</li> <li>25,015 12%</li> <li>14,564 07%</li> <li>36,650 17%</li> <li>29,851 14%</li> <li>28,566 13%</li> </ul>	<ul style="list-style-type: none"> <li>83,755 16%</li> <li>67,799 13%</li> <li>47,284 09%</li> <li>82,012 16%</li> <li>67,666 13%</li> <li>63,061 12%</li> </ul>
Average Household Size	2.60	2.75	2.71	2.70
<ul style="list-style-type: none"> <li>• 1-person household</li> <li>• 2-person household</li> <li>• HHs with NO Children&lt;18 at home</li> </ul>	<ul style="list-style-type: none"> <li>26%</li> <li>34%</li> <li>64%</li> </ul>	<ul style="list-style-type: none"> <li>19%</li> <li>35%</li> <li>60%</li> </ul>	<ul style="list-style-type: none"> <li>21%</li> <li>34%</li> <li>62%</li> </ul>	<ul style="list-style-type: none"> <li>23%</li> <li>33%</li> <li>63%</li> </ul>
Median HH Income-Top earners	\$85,705	\$111,896	\$103,574	\$84,439
<ul style="list-style-type: none"> <li>• Percent&gt;\$100K HH Income</li> </ul>	43%	55%	51%	42%
Occupation: Executive, Management & Prof.	50%	56%	56%	52%
Bachelor's Degree +	56%	63%	61%	52%
Median Housing Value-Top of the market	\$459,888	\$526,615	\$514,721	\$396,974
<ul style="list-style-type: none"> <li>• Housing Value&gt;\$500,000</li> <li>• Owner Occupied</li> <li>• Average Length of Residence</li> <li>• Year constructed-Median</li> </ul>	<ul style="list-style-type: none"> <li>44%</li> <li>71%</li> <li>12</li> <li>1957</li> </ul>	<ul style="list-style-type: none"> <li>53%</li> <li>84%</li> <li>13</li> <li>1962</li> </ul>	<ul style="list-style-type: none"> <li>52%</li> <li>85%</li> <li>13</li> <li>1963</li> </ul>	<ul style="list-style-type: none"> <li>36%</li> <li>80%</li> <li>13</li> <li>1964</li> </ul>

- Population and Household growth in the 15 minute drive-time of the Central District is projected to be 2.7% and 2.6%, respectively by 2011.
- The age of the population across all drive times skews more in the 40s and older, rather than 20s and 30s – with the largest age segments being 45-54 and seniors 65+.
- In the most affluent 10-15 minute drive time area, 25% of households have children under 18 at home.
- High home values suggest demand for fine quality home décor.
- Population tends to be highly educated and in managerial/professional occupations and are well-traveled retail consumers who demand exceptional quality and service. This market segment is defined as “early adopters” of new fashion and technology.

**CONSUMER MARKET – DAYTIME WORKPLACE POPULATION**

**# Employees**

- 2,650 employees w/in ¼ mile of Central Ave. and Green Bay Rd.
- 8,880 employees w/in 1/2 mile of Central Ave. and Green Bay Rd.
- 10,600 employees w/in 1 mile of Central Ave. and Green Bay Rd

**Employment Categories w/in ½ Mile of Central District**

- Executive/Professional: 38%
- Administration/Support: 30%
- Service Workers: 17%

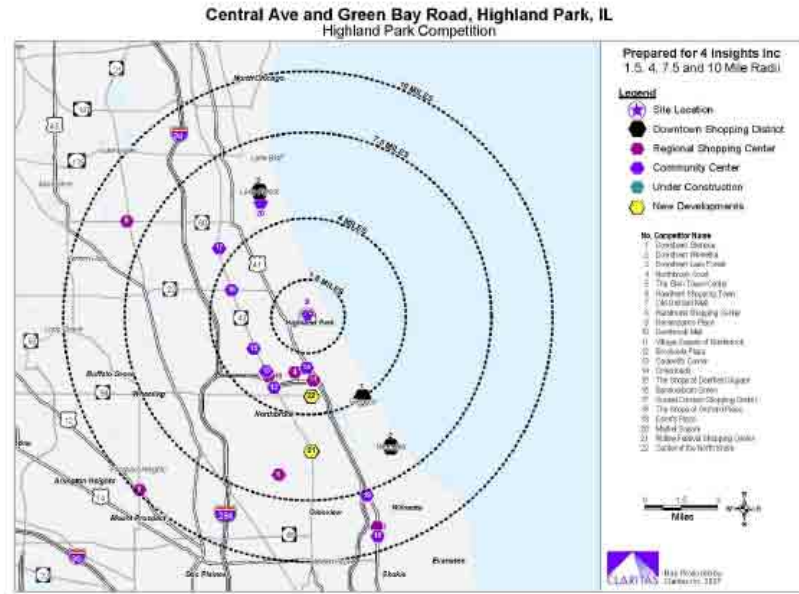
**Study Observations**

- Daytime employees are prime market for foodservice businesses, but also for impulse purchases including cards, gifts, books, drug store items, etc.
- Most non-resident employees do not shop for apparel or home décor goods. The same pattern holds true for METRA commuters.

**CENTRAL DISTRICT TRADE AREA**

For areas such as Highland Park, drive-time minutes are a more important factor than distance when consumers decide where to shop. Least important to consumers are municipal boundaries when determining where to shop.

Trade Areas—Comparison of Drive Time vs. Radius—In Households			
	Minutes=Households	Miles=Households	% Customers
Primary Trade Area	10 Minutes= 24,433	4 Miles= 27,606	50%
Secondary Trade Area	15 Minutes= 78,225	7.5 Miles= 78,325	30%
Tertiary Trade Area	20 Minutes= 187,963	10 Miles= 181,584	20%
			100%



**Where do Central District Shoppers Come From?**

- Primary Trade Area (50%) of Central District customers = 10 minute drive-time (4miles +/-)
- Secondary Trade Area (80%) of Central District customers = 15 minute drive-time (7.5 miles +/-)
- Tertiary Trade Area of Central District = 20 minute drive-time (10 miles +/-)

Top 10 Zip Codes Consumer Intercept Survey N=395		Number of Respondents	% Total Respondents
Highland Park	60035	236	59%
Riverwoods	60015	21	05%
Lake Forest	60045	18	05%
Glencoe	60022	12	03%
Buffalo Grove	60089	09	02%
Evanston	60201	06	02%
Lake Bluff	60044	05	01%
Chicago	60614	04	01%
Chicago	60625	03	01%
Northfield	60093	03	01%
<b>Total Top 10 Zip Codes</b>		<b>317</b>	<b>80%</b>

**Purpose of a Trip to the Central District**

Residents (who don't work downtown)

- 29% lunch or dinner
- 15% Shop a specific store

Non-Residents (who don't work downtown)

- 40% lunch or dinner
- 20% Shop a specific store

**Resident and Non-Resident Consumer Expenditures**

- Residents (non-downtown workers): 1.4 visits/week @ \$170/visit
  - o Food: 29%
  - o Retail Merchandise 29%
  - o Personal Services 26%
  - o Other 15%
  
- Non-Residents (non-downtown workers): 0.87 visits/week @ \$150/visit
  - o Food 20%
  - o Retail Merchandise 66%
  - o Personal Services <1%
  - o Other 13%

**Shopping Patterns: Categories of Strength/Weakness (by retail category)**

Consumer Intercept Survey Respondent Cross-Shopping Patterns—Top Responses					
Percent of Respondents	HP CBD	Northbrook Court	Old Orchard	Downtown Chicago	Other
Women's Apparel	16	14	08		
Jrs. & Teens Apparel	11	09	05		
Children's Apparel	13	08			06
Men's Apparel	11	18	07		
Furniture			06	12	13
Home Décor	17			08	11
Fashion Shoes	15		08		09
Jewelry, Bags, Access.	15		08		09
Gifts	27	07			05
Shopping with Dining	31	05		07	

- The Central District has particular retail strength in gift, home décor, and women’s apparel, shoes, and accessories categories.
- There is a lack of men’s apparel and furniture options in Central District – competitors capture much of this market/demand
- Retail space is limited for clusters of like-stores that fit in the same category – e.g. home décor, Gen.-X, Gen.-Y, etc.), which results in less visibility to consumers.
- The growth in CBD, or “Retail Opportunity,” is seen in Pharmacies and Full Service Restaurants
- Within City boundaries there is an unmet demand for foodservice and drinking places
- CBD competes with three regional shopping centers within 3 miles from Highland Park, with two Downtown retail districts within 6 miles
- 44% of CBD Businesses are retail and 56% are non-retail stores

### **IMPLICATIONS FOR RETAIL PLANNING**

- The CBD enjoys a consistent, highly affluent consumer profile
- These trade area consumers are professional, highly educated and well-traveled, and can afford to be discriminating in their choice of retail, food and services.
- The CBD currently has a tight, loyal Primary Trade area of 4 miles, with 59% of consumers driving under 10-minutes and 18% driving 10-20 minutes (The Secondary Trade Area).
- Zip Code rankings in the Consumer Survey confirm a low capture rate from surrounding suburbs. Seven adjacent suburbs contributed 19% of consumers polled.
- Dining, not shopping, was the primary reason to visit the CBD for most respondents. 40% of non-residents and 29% of residents came to eat lunch or dinner. Only 20% of non-residents and 15% of residents came to shop a specific store, which is low by shopping center standards, where about 60% come to shop specific stores.
- The Central District is a public gathering place for residents and non-residents, 16% came to the CBD to hang out or browse without intending to buy.
- Non-residents spent 3 times as much on retail merchandise as they did on dining, (\$100 vs. \$30), and they also spent twice as much per visit as HP Residents (\$100 vs. \$50). It is reasonable to assume that Non HP residents, who visited the CBD only half as frequently as residents, would be likely to buy more merchandise per trip.
- Parking issues were the dominant negative response in all of the surveys conducted for the Study—particularly concerning availability, time limits, and aggressive (sometimes unfriendly) enforcement.

### **Study Findings Re: Consumer Demand**

- The trade area in the 10- and 15- minute drive time from the CBD already have too many stores—therefore, the “Retail Opportunity” is negative. The two retail categories (suitable for a CBD) that still have some opportunity for limited expansion are pharmacies and full service restaurants.
- Within City boundaries, there is an unmet demand of Highland Park residents in only one general category: Food Service and Drinking Places.

### **Study Findings Re: Challenges for the Central District**

- The Consulting team’s overriding notion is that “*convenience is the main driver of consumer shopping decisions*. If consumers can obtain *comparable goods and caliber of shopping experience* with less travel time, more convenience, a more pleasant experience and fewer hassles--they will.”
- As all CBD’s are multiple-use public districts, Highland Park’s CBD faces formidable challenges if it is to increase its penetration (or share) of the affluent target customers of the City and adjacent suburbs.

#### **These challenges are:**

1. A retail district in which a very small percentage of consumer trips are primarily to shop at specific stores.
2. A trade area surplus of retail stores vs. consumer demand
3. Formidable, quality competition within 4-miles that has larger, more complete clusters of retail in every category—and more balanced assortments across categories that attract consumers for one-stop shopping trips—with major national brands that do more individual advertising and draw traffic to the site.
4. Competition that offers easier access and more convenient, longer term and reliably available parking, less perceived street congestion and pedestrian street-crossing safety.
5. The CBD has a limited number and size range of retail spaces available for the development of strong clusters of stores in the same retail category (e.g. home décor)—or those stores that appeal to the same consumer segment (e.g, Gen X 30-somethings, Gen Y Teens, or Baby Boomer families).
6. Limited opportunity to cluster “like” stores for increased shopper visibility and easy access, to encourage impulse cross-shopping and destination shopping for specific categories, e.g. women’s apparel. “Out of sight, out of mind” means consumers are not visually reminded of the presence of retailers on every trip without proper “way finding” and storefront signage.

### **Selected Study Findings for the Central District**

- Encourage retail-mix that focuses on convenient & impulse-shopping for all ages. Downtown is a great public gathering place to meet and food and retail options draw people together, which increases the CBD reputation for new tenants and increases foot traffic in the evening hours.

- CBD’s retail should offer “niche” products and merchandise that are unique, innovative, progressive for professional lifestyles for the highly-educated, well traveled residents in HP. Develop distinctive and competitive markets that increase and/or attract residents and non-residents to do destination shopping and increase CBD trade area penetration shopping, as opposed to nearby retail centers. Constantly monitor trade area for changes in consumers’ preferences and tenant mix strategy.
- Address the negative perceptions that discourage or limit shopping trips, and/or length of the trip to the CBD.

## **RECOMMENDED STRATEGIES FOR THE CENTRAL DISTRICT**

### **1. Strengthen the Retail mix that focuses on convenience and impulse-driven purchases from consumers visiting the CBD for other purposes. This is the lowest risk strategy, because the consumers are already on-site.**

- These types of merchandise and service stores are doubly-suited to the CBD, because they appeal to a wide age and lifestyle range, and take the best advantage of the majority of consumers who are in Downtown for non-shopping purposes.
- Within this “impulse” category, first attention should be given to retail/service/food that round out and balance the current tenant mix already in the CBD.
- The underlying strategy is to build on the natural advantage that the Highland Park CBD possesses over its shopping center competition. As a Downtown, it is a public gathering place to meet friends, hang out, and do other business. As such, foodservice of all types is a natural key element of the retail mix and the recruitment of new tenants should be planned carefully to extend the daytime consumer traffic into evening business for the CBD.

### **2. Develop a distinctive retail “niche” in specific categories strong enough to attract more destination shopping trips from both Highland Park residents and residents of adjacent suburbs--building on current category strengths. This is a higher risk strategy, but essential to increasing trade area penetration.**

- The CBD’s retail *point of difference or niche* is: *innovative, unique, upscale (not haute couture) and progressive merchandise for casual and professional lifestyles--not found at local malls.*
- Focus on a few select categories to build upon that are indicated by the 4Insights’ Study and that already have a strong current tenant foundation in the CBD-- e.g. home décor, women’s accessories, shoes. Avoid duplicating mall-type stores that are within the 4-mile radius. With very limited space in the CBD, each tenant must add to the distinctive “point of difference” niche that makes the CBD worth a destination trip. Attempt to cluster same-category stores.
- Constant monitoring of the competitive market, consumer preferences, and adapting the tenant mix strategy is crucial to retaining this unique niche as consumers’ tastes change and new concepts are launched. The more fashion in the mix, the more fickle the customer base.

3. **Address the negative perceptions that discourage or limit shopping trips and length of trips to the CBD:**
  - Traffic congestion into and within the CBD; Way-finding and directional signage for parking and stores
  - Insufficient parking and spaces not consistently available; Too-short time limits to combine dining and shopping/services
  - Aggressive, at times unfriendly, parking enforcement
  - Unsafe crossings for pedestrians (which discourages cross shopping)
  - Inconsistent and inconvenient hours of retail operation
  
4. **If the City/CBD Leadership choose to pursue Strategy #2, to build “point of difference” or destination clusters, it must commit to a longer term vision, greater support, possibly more investment in infrastructure, risk, and property-owner cooperation.**
  - Strategies #1 and #2 are not an “either/or” decision. However, they both depend on Strategy #3—the shopping environment factor—because convenience is where the CBD’s shopping center competition excels. Should the CBD leadership decide to build on its current niche of unique fashion and home retail, it should do so with full realization of the inherent risks and collaborative effort that this niche-building requires over the long term.
  - The *highest risk* retail categories are apparel/accessories and home décor, because they each appeal to their own very narrow customer niche, and usually have a limited lifespan with changing consumer tastes.
  - Successful execution will require the ability of both brokers and owners to search out and find the “right” tenants—as any appropriate CBD spaces open up—to create the critical mass necessary to draw destination trips.
  - Attracting national brands not already in the market will be difficult, competing with the major mall competitors in the 4-mile area—and in Downtown Chicago. Therefore, attracting strong, proven independents (at least one currently operating, successful store) or regional chains, that are creditworthy will be critical to developing the CBD’s destination clusters. Clustering at least 3 similar co-tenants, along with cross-visibility and nearby parking are keys to success.
  - The 4Insights’ Study indicates that the categories of Teen and Gen X Women’s Apparel and Accessories are the best opportunity for tenant recruitment—as the pool of prospective, independent concepts is greatest throughout the Chicago market. These categories are also the most--requested by our Survey respondents. Children’s apparel is not included, as stores are already in the CBD and there were very few write-in requests in the Consumer Intercept Survey. Should the resident internet survey indicate a desire for more Children’s apparel, suitable tenants will be added to the prospect list that follows.
  - In the Women’s Apparel category, targeted prospective tenants should be unique, upscale and progressive, but in concept and sophistication, not necessarily in the top

price points. *Haute couture* Designer shops (e.g. Oak Street boutiques) are *not* the targeted tenants for Highland Park's CBD.

### **What Has Been Done in Response to the 2007 Study?**

In late 2007, the City Council acted to authorize the creation of Special Service Area #16 (a commercial property tax district) to raise \$300k a year to fund the marketing and promotion of Downtown Highland Park. In early 2008, the Downtown Alliance was incorporated as a partnership of the City of Highland Park, the Highland Park Chamber of Commerce, and the Downtown Property Owners Association. The Alliance would oversee the SSA funds, with its mission to:

- A. Develop and implement promotional, marketing, advertising, and branding campaigns;
- B. Strengthen the local economy through the retention and expansion of existing businesses, the attraction of new businesses, and the achievement of a viable tenant mix;
- C. Support, sponsor, and coordinate civic and cultural events;
- D. Encourage and enhance the quality of the business and community environment;
- E. Coordinate and participate in strategic planning efforts to ensure long-term economic viability;
- F. Manage Special Service Area Number 16; and
- G. Establish performance benchmarks to measure the economic impact of Special Service Area Number 16, and provide periodic reports regarding such to Alliance members and the community at-large.

Since the Alliance hired its first Executive Director in May 2008, it has acted to pursue the mission of the organization and the recommendations of the 2007 study. In its first six months, the Alliance formulated a brand identity to promote Downtown Highland Park, including a logo, graphic design standards, and a brand message to reinforce the character of the district. Over the next year, the Alliance developed various marketing materials to bring attention to the businesses of downtown Highland Park. The Alliance also provided close to \$18,000 in sponsorship grants to support downtown Highland Park events, including the One Book Highland Park program, the Holiday Lighting Ceremony, the Sidewalk Sale, the Taste of Highland Park, and Fashion Week Highland Park. The Alliance actively engages potential tenants to show them the benefits of a downtown Highland Park location and communicates regularly with downtown Highland Park property owners and businesses to make them aware of Alliance promotions that may help them stay competitive in an increasingly challenging economic environment.

Heading into 2010, the Alliance will continue to expand its marketing efforts using social media to promote Downtown Highland Park (e.g., [Facebook](#), [YouTube](#), and the @DowntownHP

Twitter account). The Alliance will also launch a ‘shop local’ campaign in the 2009 holiday season. The shop local campaign will combine education about the benefits of supporting local businesses with rewards to customers who shop locally. Starting in late October shoppers will have the ability to collect \$500 in receipts from five or more local businesses over a 90-day period that can be turned in to the Alliance to receive \$50 in “Downtown Dollars.” The Dollars may be used at more than 50 participating businesses, which will be identified by a ‘shop local’ decal on their windows. Downtown Dollars will also be made available for purchase at select Highland Park retailers to allow area residents to offer them as gifts that also support the community.

The Alliance closely monitors the effectiveness of its efforts, keeping track of the merchants and property owners it has benefited; the number of visitors to the Downtown website; and the expansion of its e-newsletter list, Facebook fans, YouTube views, and Twitter subscribers.

**Highland Park Office Market**

The following summarizes data from CoStar relative to the Highland Park office market.

The Central District of Highland Park contains approximately 512,000 square feet of office space in 15 reported buildings<sup>3</sup>. As of July 7, 2009, approximately 95,000 square feet of rental office space was vacant and available for lease. This represents a vacancy rate of 19% which is well below the vacancy rate for the suburban metropolitan Chicago region which was more than 24% in July 2009. Nevertheless, Highland Park’s office market is struggling with landlords seeking to fill space that has been vacant for a considerable length of time.

Highland Park has limited Class A office space available in two buildings. The balance of office space is situated in 13 Class B and C buildings.

**Office Space by Category**

<b>Office Class</b>	<b># Buildings</b>	<b>Total Space</b>	<b>Vacancy Rate</b>	<b>Rental Range</b>
<b>Class A</b>	<b>2</b>	<b>211,400</b>	<b>41%</b>	<b>Negotiable</b>
<b>Class B</b>	<b>9</b>	<b>247,000</b>	<b>48%</b>	<b>\$12.60 - \$37</b>
<b>Class C</b>	<b>4</b>	<b>54,000</b>	<b>11%</b>	<b>\$16.50 - \$30</b>
	<b>15</b>	<b>512,400</b>	<b>100%</b>	

While the office market for Highland Park provides a significant number of workers that are consumers in the Central District, real estate professionals consulted for this report do not anticipate strong office market growth in Highland Park’s downtown. This assessment is based on very strong market competition in Northbrook and Bannockburn in Class A office space and limitations related to the lack of good office sites in the Central District.

<sup>3</sup> CoStar information is based on data submitted by building owners. This does not contain information on buildings where owners did not submit information.

A reasonable strategy for Highland Park to pursue is to make sure that existing office space is maintained in satisfactory condition and to judiciously encourage expanding the supply of the office space as part of mixed use developments or redevelopments. In addition, a strong office market segment for the Central District is for medical office, given proximity to Highland Park Hospital.

### **Questions for Consideration**

1. Highland Park has a vibrant retail Central Business District. Have you ever considered whether it is easy for non-resident visitors to find the downtown and orient themselves within the downtown?
2. Does downtown Highland Park need better identification signage from Route 41?
3. Are there specific categories of stores (e.g., men's clothing, hardware, electronics, etc.) that you find missing from the Central District?
4. Do you find that the hours of operation of local retailers meet your needs as a consumer?
5. Are you aware of the Downtown Alliance? If so, how did you find out about it – mailer, cable, Highlander, HP News, 60035 Magazine, website, word of mouth, other?
6. Have you subscribed to any of the Downtown online community resources? If so, which – Facebook, YouTube, Twitter, What's New?' e-newsletter?
7. Would you consider participating in the shop local reward program by collecting your receipts during the holiday season?
8. What more do you think could be done to meet the findings of the 2007 market study and the objectives of the Downtown Alliance?